



UNC
SCHOOL OF LAW

NORTH CAROLINA JOURNAL OF LAW & TECHNOLOGY

Volume 9
Issue 3 *Online Issue*

Article 1

10-1-2007

Perfect 10 and Contributory Liability: Can Search Engines Survive

Damon Chetson

Follow this and additional works at: <http://scholarship.law.unc.edu/ncjolt>



Part of the [Law Commons](#)

Recommended Citation

Damon Chetson, *Perfect 10 and Contributory Liability: Can Search Engines Survive*, 9 N.C. J.L. & TECH. 1 (2007).
Available at: <http://scholarship.law.unc.edu/ncjolt/vol9/iss3/1>

This Article is brought to you for free and open access by Carolina Law Scholarship Repository. It has been accepted for inclusion in North Carolina Journal of Law & Technology by an authorized administrator of Carolina Law Scholarship Repository. For more information, please contact law_repository@unc.edu.

***PERFECT 10* AND CONTRIBUTORY LIABILITY: CAN SEARCH
ENGINES SURVIVE?**

Damon Chetson¹

Search engines allow millions of users to locate content on the Internet, including content offered by individuals and companies who have infringed upon a copyright holder's rights. Copyright Law's contributory infringement doctrine presents a dilemma for search engines like Google, whose services may facilitate the infringement of copyrights by enabling users to locate such content on the Internet. The Ninth Circuit's recent decision in Perfect 10, Inc. v. Amazon.com, Inc. highlights the problems associated with contributory liability doctrine in copyright law in the digital era. The Ninth Circuit Court of Appeals remanded the case to the district court, holding that "reasonable and feasible" means were available to Google, enabling it to block access on its search engine to content that violates a copyright holder's rights. This recent development illustrates some of the problems of applying the standard of contributory liability to search engines on the Internet.

**I. INTRODUCTION: REDEFINING CONTRIBUTORY
LIABILITY POST-*GROKSTER***

This recent development analyzes contributory copyright liability in light of *Perfect 10, Inc. v. Amazon.com, Inc.*,² a case pitting a copyright owner against the search engine Google. Third-party copyright liability in general and contributory liability in particular are at the forefront of copyright battles currently taking place in U.S. courts. Search engines³ often find themselves at odds

¹ J.D. Candidate, University of North Carolina School of Law, 2009.

² 487 F.3d 701 (9th Cir. 2007).

³ Search engines are website services that constantly catalog the rapidly changing content on the Internet. Internet users locate desired information by "searching"—entering keywords, phrases, or other identifiers—into a search

9 NC JOLT ONLINE ED. 1, 2 (2007)
Perfect 10 and Contributory Liability

with copyright holders interested in securing and maintaining exclusive rights to their online content. The extent to which copyright holders can succeed on contributory liability claims against search engines will determine their future viability as comprehensive sources of information for the public.

In *Perfect 10*, the copyright holder, a pornographic website, asserted that third parties had directly infringed on its copyrighted material by “reproducing, displaying, and distributing unauthorized copies of Perfect 10’s copyrighted images,”⁴ a claim not disputed on appeal by Google.⁵ The Ninth Circuit acknowledged the Supreme Court’s holding in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*⁶ that a party is liable for contributory infringement by “intentionally inducing or encouraging direct infringement.”⁷ However, the Ninth Circuit elaborated upon the rule in *Grokster* by explaining that the test for contributory infringement does not require the defendant to prove inducement.⁸ Drawing on a line of copyright infringement cases stretching back to *Gershwin Publishing Corp. v. Columbia Artists Management, Inc.*,⁹ the Court explained that “intentionally inducing or encouraging direct infringement”¹⁰ could be proven by showing a defendant’s “knowing failure to prevent infringing actions.”¹¹

engine, which quickly generates links to dozens, hundreds, or even hundreds of thousands of websites whose contents match the desired information.

⁴ *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 726 (9th Cir. 2007).

⁵ *Id.*

⁶ 545 U.S. 913 (2005).

⁷ *Perfect 10*, 487 F.3d at 726 (citing *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930 (2005)).

⁸ *Perfect 10*, 487 F.3d at 727 n.11 (“Google’s activities do not meet the ‘inducement’ test explained in *Grokster* because Google has not promoted the use of its search engine specifically to infringe copyrights However, the Supreme Court in *Grokster* did not suggest that a court must find inducement in order to impose contributory liability under common law principles.”)

⁹ 443 F.2d 1159 (2nd Cir. 1971).

¹⁰ See *A&M Records, Inc. v. Napster, Inc.*, 487 F.3d 701 (9th Cir. 2001); *Gershwin Publ’g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159 (2nd Cir. 1971); *Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs., Inc.*, 907 F. Supp. 1361 (N.D. Cal. 1995).

¹¹ *Perfect 10*, 487 F.3d at 728.

This recent development briefly reviews the development of contributory liability in copyright law, focusing in particular on its development as it relates to cyberspace law. Further, it analyzes the application of contributory liability doctrine in *Perfect 10*, noting the Ninth Circuit's efforts to reconcile the Supreme Court's holding in *Grokster* requiring a showing of intent with previous decisions in *Napster*¹² and *Netcom*,¹³ which relied on imputed intent to find contributory liability. This recent development argues that the Ninth Circuit's test is invalid in light of *Grokster* and that the Court erred in its decision to remand the case to district court for factual findings on the "reasonable and feasible means for Google to refrain from providing access to infringing images."¹⁴ Finally, this recent development argues that the Ninth Circuit's test, by focusing on the "reasonable and feasible means" available to the alleged contributory infringer, fails on public policy grounds.

II. COPYRIGHT AND ONLINE COMMUNICATIONS

The publication and distribution of copyrighted works has long been a double-edged sword. Copyright owners can only realize economic value from their protected works by making those works available to the public. But that very distribution by copyright owners necessarily opens the door to copying by the public. Recent technology has raised the stakes for all parties, including copyright holders.¹⁵ Intellectual property has "assume[d] a greater share of the economy" at the same time that "technologies for copying these properties have become increasingly efficient at doing so."¹⁶ Consequently, disputes over copyrighted material have been at the

¹² *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001).

¹³ *Religious Tech. Ctr. v. Netcom On-Line Commc'n. Servs., Inc.*, 907 F. Supp. 1361 (N.D. Cal. 1995).

¹⁴ *Perfect 10*, 487 F.3d at 729.

¹⁵ STAN LIEBOWITZ, *Back to the Future: Can Copyright Owners Appropriate Revenues in the Face of New Copying Technologies*, THE ECONOMICS OF COPYRIGHT: DEVELOPMENTS IN RESEARCH AND ANALYSIS (Wendy J. Gordon & Richard Watt eds., 2003).

¹⁶ *Id.*, at 1–2.

forefront of the news and the forefront of public policy debates.¹⁷ The widespread nature of direct copyright infringement on the Internet makes a copyright owner's enforcement of his rights problematic at best.¹⁸ Furthermore, given the economics of copyright enforcement, few companies have faced as significant legal challenges as Google.¹⁹

The Ninth Circuit's view of contributory liability focuses on two concerns unique to online communications. First, online communications systems have the potential to facilitate a "huge number of infringing downloads every day."²⁰ Second, given the volume of downloads and the number of potential infringers, a copyright holder may find it difficult to pursue infringement actions against the direct infringers who may number in the tens or even hundreds of thousands.²¹ The court, therefore, held in *Perfect 10* "that a computer system operator can be held contributorily liable if it has *actual* knowledge that *specific* infringing material is available using its system . . . and can take simple measures to prevent further damage to copyrighted works . . . , yet continues to provide access to infringing works."²²

A. SONY AND CONTRIBUTORY LIABILITY

¹⁷ See John Markoff, *A Quest to Get More Court Rulings Online, and Free*, N.Y. TIMES, Aug. 20, 2007, at C6 (dispute over West and LexisNexis control of published court opinions); The Associated Press, *Music Publishers to Join YouTube Suit*, N.Y. TIMES, Aug. 7, 2007, at C8 (music publishers join Viacom in suing Google over YouTube's use of allegedly copyrighted material); Jacqueline Palank, *Content Makers Are Accused of Exaggerating Copyright*, N.Y. TIMES, Aug. 2, 2007, at C2.

¹⁸ Lee Rainie & Mary Madden, *The State of Music Downloading and File-Sharing Online*, PEW INTERNET & AMERICAN LIFE PROJECT, April 2004, http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Society_and_the_Internet/pew_internet_download_042504.pdf (on file with the North Carolina Journal of Law & Technology) (estimating 23 million Americans admitted to downloading music files online).

¹⁹ Kevin J. Delaney & Brooks Barnes, *Image Control: For Soaring Google, Next Act Won't Be as Easy as the First*, WALL ST. J., June 30, 2005, at A1.

²⁰ *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 728 (9th Cir. 2007).

²¹ *Id.*

²² *Id.* at 729 (emphasis in original) (internal citations omitted).

9 NC JOLT ONLINE ED. 1, 5 (2007)
Perfect 10 and Contributory Liability

Among Google's many legal challenges are claims that the search engine not only directly infringes the rights of copyright holders, but that it is contributorily liable for third party infringement of copyright holders' intellectual property. Contributory liability and vicarious liability constitute copyright's third party, or indirect, liability doctrines. Contributory liability may be imposed when the defendant, "with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another."²³

As with other areas of the common law, contributory liability is grounded on the premise that "[i]f a person knows that another is committing copyright infringement, it is arguably wrong for that person to assist the infringer."²⁴ The crucial questions in contributory liability are the level of knowledge required of the defendant and the defendant's contribution to a third party's direct infringement of a copyright holder's protected work. For instance, a computer manufacturer might be absolutely certain that at least some of its customers will use the equipment to download and duplicate copyrighted works.²⁵ By contrast, a software company that creates and distributes the software that enables or, even, is customized to facilitate downloading may be absolutely certain that at least some of its customers will use the software to download and duplicate copyrighted works.²⁶ Both the computer manufacturer and the software company may know of the infringing uses at one level. However, the computer manufacturer is, at least intuitively, less culpable than the software company even though both may be equally certain of the infringing uses to which the company's product is being used.²⁷ Contributory liability doctrine, in part, distinguishes between levels of culpability by requiring proof not just that the defendant's product is being used in the abstract to infringe copyrights, but that the

²³ *Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.*, 443 F.2d 1159, 1162 (2d Cir. 1971).

²⁴ Alfred C. Yen, *Third-Party Copyright Liability After Grokster*, 91 MINN. L. REV. 184, 194 (2006).

²⁵ *Id.*

²⁶ *Id.* at 195.

²⁷ *Id.*

defendant knows of actual instances of copyright infringement and has failed to take measures to stop the infringement.²⁸

Evidence that the defendant designed and sold his services or machinery with the intent to induce infringement is powerful evidence of contributory liability. In addition, evidence that the defendant's services or machinery were designed specifically to be used to infringe should establish contributory liability. By contrast, a defendant's general — yet certain — knowledge that his product will be used by some customers to infringe copyrights is not, by itself, enough to establish contributory liability.

The contributory copyright liability standard was formulated in *Sony Corp. of America v. Universal City Studios, Inc.*²⁹ The plaintiffs sought to enjoin the defendant Sony from manufacturing Betamax Video Tape Recorders based on claims of contributory copyright infringement.³⁰ Sony, in contesting that it met the knowingly test for contributory liability, pointed to other non-infringing uses to which customers had put their Betamax machines—including time-shifting, the recording of television shows in order to watch them at other than scheduled times.³¹ The Supreme Court agreed with Sony, holding that a defendant could not be held contributorily liable for copyright infringement if the defendant's "product is widely used for legitimate, unobjectionable purposes."³² The defendant's equipment "need merely be capable of substantial noninfringing uses" in order for the defendant to escape contributory liability.³³ *Sony* was a defeat for copyright holders because its holding only required that defendants show their technology is capable of substantial, non-infringing uses in order to escape contributory liability.³⁴

B. FROM SONY TO GROKSTER

²⁸ *Id.*

²⁹ 464 U.S. 417 (1984).

³⁰ *Id.*

³¹ *Id.*

³² *Id.* at 442.

³³ *Id.*

³⁴ J. Brian Beckham, *Can the RIAA Survive "Substantial Non-Infringing Uses?"*, 10 VA. J.L. & TECH. 4, 6 (2005).

The advent of new technology, including the peer-to-peer file-sharing services such as Napster,³⁵ Kazaa,³⁶ and Grokster,³⁷ created pressure on copyright holders who discovered that those and other new Internet technologies were being used by thousands of individuals to commit copyright infringement.³⁸ Three cases—*Grokster*,³⁹ *In re Aimster*,⁴⁰ and *Napster*⁴¹—further raised the issue of contributory negligence in the context of the Internet. *Aimster* and *Napster* followed *Sony*'s basic analysis that contributory liability required that the defendant actually know that its service was being used for infringing purposes.⁴² *Sony* holds that if the defendant can show that its product or service is capable of a substantial non-infringing use, the defendant can escape liability absent other evidence that the defendant had knowledge of copyright infringement. In *Aimster* and *Napster*, the courts found direct evidence that both defendants were aware of and had

³⁵ Benny Evangelista, *Napster Runs Out of Lives — Judge Rules Against Sale*, S. F. CHRON., Sept. 4, 2002, at B1; Rich Menta, *RIAA Sues Music Startup Napster for \$20 Billion*, MP3 NEWSWIRE, Dec. 9, 1999, <http://www.mp3newswire.net/stories/napster.html> (on file with the North Carolina Journal of Law & Technology);

³⁶ Robert Menta, *Judge to Decide on KaZaa Suit*, MP3 NEWSWIRE, Nov. 27, 2002, <http://www.mp3newswire.net/stories/2002/kazaatrial.html> (on file with the North Carolina Journal of Law & Technology).

³⁷ *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

³⁸ Jefferson Graham, *Record labels cut deals with file-sharing companies*, USA TODAY, Dec. 3, 2004 at B3 (citing the Internet measurement service BigChampagne, about 1.4 billion songs were available for unauthorized free trading in October [2004], despite the nearly 7,000 lawsuits filed against individual copyright infringers in the preceding year).

³⁹ *Grokster*, 545 U.S. 913 (2005).

⁴⁰ *In re Aimster Copyright Litig.*, 334 F.3d 643, 653 (7th Cir. 2003) (For purposes of copyright law, even when there are noninfringing uses of an Internet file-sharing service, “if the infringing uses are substantial then to avoid liability as a contributory infringer the provider of the service must show that it would have been disproportionately costly for him to eliminate or at least reduce substantially the infringing uses.”).

⁴¹ *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1021 (9th Cir. 2001) (“[I]f a computer system operator learns of specific infringing material available on his system and fails to purge such material from the system, the operator knows of and contributes to direct infringement.”).

⁴² *In re Aimster Copyright Litig.*, 334 F.3d 643 (7th Cir. 2003), *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001).

encouraged specific copyright infringement by individual users, rendering irrelevant the fact that the defendants' software was capable of substantial non-infringing uses.⁴³

In *Grokster*, however, the Ninth Circuit came to a different conclusion based on the particular facts of the case.⁴⁴ Plaintiffs, including MGM Studios, alleged that the defendant, Grokster, had distributed free peer-to-peer file-sharing software that enabled users to easily distribute and copy content, including music and movies, from other users on the Internet.⁴⁵ Plaintiffs provided evidence showing that Grokster had sought out and had given its free software to users of Napster, the earlier file-sharing system.⁴⁶ Plaintiffs alleged that Grokster's business plan, in essence, had been built around copyright infringement and that while *Sony* might ordinarily control, here Grokster's bad faith barred it from claiming *Sony*'s safe harbor by pointing to possible non-infringing uses to which Grokster's software could be employed.⁴⁷

However, the Ninth Circuit, in issuing a summary judgment in favor of the defendant, found that the plaintiff copyright holders had failed to prove specific knowledge of infringement on the part of the defendant.⁴⁸ Given the failure to prove that Grokster knew of instances of copyright infringement, the Ninth Circuit followed *Sony* in acknowledging that, since Grokster's software was capable of substantial non-infringing uses, the fact that the plaintiffs had merely shown that Grokster's software could be used for

⁴³ *In re Aimster* 334 F.3d at 651 (noting Aimster's "tutorial gives as its only examples of file sharing the sharing of copyrighted music, including copyrighted music that the recording industry had notified Aimster was being infringed by Aimster's users"); *Napster*, 239 F.3d at 1021 ("Regardless of the number of Napster's infringing versus noninfringing uses, the evidentiary record here supported the district court's finding that plaintiffs would likely prevail in establishing that Napster knew or had reason to know of its users' infringement of plaintiffs' copyrights.").

⁴⁴ *Metro-Goldwyn Mayer Studios, Inc. v. Grokster, Ltd.*, 380 F.3d 1154, 1162–63 (9th Cir. 2004), *vacated*, 545 U.S. 913 (2005).

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

infringement was not enough to impute knowledge and, consequently, contributory liability to Grokster.⁴⁹

On appeal, the Supreme Court reversed, holding that:

“[o]ne who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, going beyond mere distribution with knowledge of third-party action, is liable for the resulting acts of infringement by third parties using the device, regardless of the device's lawful uses.”⁵⁰

As Alfred Yen has noted, “Grokster sent a strong signal that the Supreme Court considers fault the primary theory of third-party copyright liability.”⁵¹

C. PERFECT 10 AND CONTRIBUTORY LIABILITY

Perfect 10, an Internet pornography company, filed suit against a variety of plaintiffs, including Amazon and Google.⁵² Google, however, was the principal object of the suit. Among other claims, Perfect 10 alleged that third-party websites not under Google's control had directly infringed Perfect 10's copyrights by reproducing and displaying unauthorized copies of Perfect 10's images, a claim undisputed by Google.⁵³ Perfect 10 further alleged that Google was contributorily liable because Google's search engine returned results that listed the infringing sites, thereby allowing users to retrieve Perfect 10's images from infringing websites.⁵⁴ Google, however, maintained that given its search engines' capability and use for substantial non-infringing purposes,

⁴⁹ *Id.* at 1161.

⁵⁰ *Metro-Goldwyn Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 936–37 (2005).

⁵¹ Yen, *supra* note 24, at 227 (The logic of *Sony*'s emphasis on “substantial non-infringing use” did not necessarily mean that a defendant whose product had not yet been used for non-infringing purposes was contributorily liable of copyright infringement. The defendant merely had to prove that the product was “capable” of a non-infringing use. *Grokster* closed the door *Sony* opened by barring defendants from pointing to such capabilities to escape liability if they had acted in bad faith in the first place.).

⁵² *Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701 (9th Cir. 2007).

⁵³ *Id.* at 725–26.

⁵⁴ *Id.*

it could not be contributorily liable under *Sony*.⁵⁵ The question for the Ninth Circuit, then, was whether Google's search engine function had contributed to the infringement of Perfect 10's copyrights by enabling copyright infringers to locate and download those images.⁵⁶

The court noted two theories under which Google could be held liable for contributory infringement.⁵⁷ First, liability could be found under the *Sony* rule by a defendant "distributing a product distributees use to infringe copyrights, if the product is not capable of 'substantial' or 'commercially significant' noninfringing uses."⁵⁸ Second, under the recently articulated *Grokster* rule, liability could be found by a defendant "actively encouraging (or inducing) infringement through specific acts."⁵⁹ Under the first category of liability, the court agreed with Google's position that, according to *Sony*, it could not be held liable for contributory infringement given the search engine's substantial number of non-infringing uses.⁶⁰

The court next turned to the second theory of liability, noting that while *Grokster* held that the *Sony* rule:

"limits imputing culpable intent as a matter of law from the characteristics or uses of a distributed product...nothing in *Sony* requires courts to ignore evidence of intent if there is such evidence, and the case was never meant to foreclose rules of fault-based liability derived from the common law."⁶¹

In *Grokster*, the defendants had engaged in business activities that indicated they sought to encourage and even profit from other parties' direct infringement of copyrighted works.⁶² For instance, the Court noted that the defendants had marketed their services and

⁵⁵ *Id.* at 727.

⁵⁶ *Id.* at 726–27.

⁵⁷ *Id.*

⁵⁸ *Id.* (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 442 (1984)).

⁵⁹ *Metro-Goldwyn Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 942 (2005) (Ginsburg, J., concurring).

⁶⁰ *Perfect 10, Inc. v. Amazon.com*, 487 F.3d 701, 727 (9th Cir. 2007).

⁶¹ *Grokster*, 545 U.S. at 934–35.

⁶² *Id.*

software to former Napster users who had been “deprived of a mechanism to copy and distribute what were overwhelmingly infringing files after the collapse of Napster.”⁶³

While the Supreme Court in *Grokster* noted that *Sony*’s rule did not preclude it from using other theories of liability from common law, *Grokster* involved defendants who had clearly encouraged copyright infringement through the marketing and design of its software. The Court in that circumstance could not permit the defendants, acting in bad faith, to escape contributory liability simply because the defendants could point to the fact that their software was indeed capable, in theory, of substantial non-infringing uses.

Instead of limiting itself to a “fault-based” theory of inducement in *Perfect 10*, the Ninth Circuit used *Grokster* to argue that the Supreme Court had opened the door to other theories of common law liability.⁶⁴ The court pointed to previous rulings in the circuit⁶⁵ showing that, under a theory of imputed liability, where defendants had specific knowledge of copyright infringement by third parties, defendants could be held contributorily liable.⁶⁶ It remanded the case to the district court for a determination of whether Google “had knowledge that infringing Perfect 10 images were available using its search engine, could take simple measures to prevent further damage to Perfect 10’s copyrighted works, and failed to take such steps.”⁶⁷

D. PERFECT 10’S CHALLENGE TO SEARCH ENGINES

As Alfred Yen has noted, the Supreme Court signaled in *Grokster* an emphasis on fault-based notions of contributory

⁶³ *Id.* at 939.

⁶⁴ *Perfect 10*, 487 F.3d at 727.

⁶⁵ *See, e.g.*, *A&M Records v. Napster, Inc.*, 239 F.3d 1004 (2001); *Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs.*, 907 F. Supp. 1361 (N.D. Cal. 1995) (holding that an Internet Service Provider could be held contributorily liable if it had actual knowledge of unauthorized copyrighted materials on its electronic systems).

⁶⁶ *Perfect 10*, 487 F.3d at 729.

⁶⁷ *Id.*

liability.⁶⁸ When companies market products used solely for copyright infringement and when those products are not capable of substantial non-infringing uses, the companies can be held liable for contributory copyright liability under *Sony*. Similarly, when a company's business activities, such as advertising decisions, demonstrate that the company's hope is to induce copyright infringement, it can also be found liable under *Grokster*.

The Ninth Circuit, by emphasizing "simple measures to prevent further damages," seeks to broaden the Supreme Court's approach to contributory liability by looking to the ease and relative cost to the defendant in preventing copyright infringement by users of the defendant's product.⁶⁹ The Ninth Circuit's more expansive approach to contributory liability, while a boon for copyright holders, could be problematic for search engines like Google. The court established a two-step approach for the district court. First, it instructed the district court to determine whether Google knew of instances of copyright infringement.⁷⁰ Second, it instructed the district court to determine whether Google could use simple means to eliminate the offending copyrighted material from its search engine.⁷¹

The test is problematic because its focus underestimates the actual, cumulative costs of eliminating copyrighted material. Google could easily eliminate the copyrighted material from search results requested by users by "filtering" the results so that they do not list the offending material. The cost of filtering material in the individual instance is low, requiring software instructions added by Google to its search engine that simply exclude copyrighted material from display to end users. Thus, the district court could find the costs low and the means simple, warranting a finding of contributory liability against Google for failing to implement the solution.

The Ninth Circuit's approach, however, becomes problematic once one considers the scale and purpose of a search engine such

⁶⁸ Yen, *supra* note 24, at 227–229.

⁶⁹ *Perfect 10*, 487 F.3d at 729.

⁷⁰ *Id.*

⁷¹ *Id.*

as Google. Google at present catalogs billions of web pages worldwide.⁷² Other search engines have similarly massive repositories of information. The cost of filtering search results to eliminate copyrighted material, while low in the individual instance, could have the net effect of compromising the integrity of the search engine itself by producing incomplete or partial results for users. In *Sony*, the Supreme Court appears to have been motivated by the understanding that technologies capable of infringing uses also have the promise to create significant value and benefits to the public at large.⁷³ Consequently, the *Sony* Court took a narrow approach toward applying the contributory liability doctrine to manufacturers like Sony, recognizing that a ruling holding companies like Sony liable for contributory liability would sharply limit or even curtail the development of a new technology.⁷⁴

Google and other search engines, which offer promising but not fully realized technologies to the public, are in a position that is similar to the one in which Sony found itself in 1983. Google's value as a search engine is predicated in large part on its ability to return comprehensive and reliable search results to users. Indeed, this comprehensiveness is what has propelled Google to the forefront of the search industry.⁷⁵ The *Perfect 10* ruling, however, jeopardizes not only Google's position but also the viability of every search engine, since it effectively requires such services to return incomplete search results—that is to say, search results without the offending copyrighted material because efforts to filter out copyrighted material are always imperfect.

In theory, copyright holders are correct that their words ought to be protected by filtering. In reality, however, search engines and content aggregators like Google may be required to use filters that,

⁷² Larry Page & Sergey Brin, *2006 Founders' Letter*, http://investor.google.com/2006_founders_letter.html (last viewed Sept. 18, 2007) (on file with the North Carolina Journal of Law & Technology).

⁷³ *Sony*, 464 U.S. at 792.

⁷⁴ *Id.* at 788-89.

⁷⁵ Kevin J. Delaney, *Google Updates Look Of Its Search Results*, WALL ST. J., May 17, 2007, at B3 (“Google is the leading search engine in terms of the number of queries handled in the U.S.”).

given the potential liability to them, will “overfilter” results to avoid the threat of litigation. For instance, under the Ninth Circuit’s ruling Google could be required to filter all search results so as not to return any images that are linked to the phrase “perfect 10” or “perfect ten.” Thus, unauthorized websites that reproduce Perfect 10’s copyrighted material would be filtered out of Google’s search, but so would websites that report on gymnastics. Indeed, at the time of the writing of this paper, there were more than 1.6 million hits for the phrase “perfect 10.”⁷⁶ Many of these sites do not return Perfect 10’s images, but rather report on the legal battles between Perfect 10 and various websites.⁷⁷

The Ninth Circuit, instead, would do well to follow the spirit of *Sony*. The Supreme Court’s acknowledgement of common law theories of liability in *Grokster* was fact-specific and aimed at bad faith defendants who intended that their technology be used by individuals to infringe on others’ copyrighted materials. The Court did not create an invitation to look to common law generally to broaden the scope of contributory liability. *Sony* implores courts to recognize that new technologies that *can* be used for copyright infringement also frequently have significant long-term and beneficial purposes for the public at large. In this new age of digital technology, courts would do well to adopt the conservative, narrow view of contributory liability that enabled the flourishing of the videotape revolution in the 1980s and could permit the further development of digital technology.

The narrow interpretation of contributory liability as applicable only to defendants who can be found to have knowingly or intentionally induced infringement (per *Grokster*) or to defendants who cannot show that their commercial products are capable of a substantial number of non-infringing uses (per *Sony*) does place burdens on copyright holders who seek to defend their works from infringement. Limiting Perfect 10’s ability to seek a remedy from Google would require Perfect 10 to sue the dozens, even hundreds,

⁷⁶ Search of google.com (last viewed Sept. 18, 2007) (on file with the North Carolina Journal of Law & Technology).

⁷⁷ Search of google.com (last viewed Sept. 18, 2007) (on file with the North Carolina Journal of Law & Technology).

of direct infringers who have created websites that misappropriate Perfect 10's copyrighted material.

III. CONCLUSION

All is not lost for copyright holders under a narrow interpretation of contributory liability. For instance, technological improvements in the digital rights management of copyrighted material may enable copyright holders to control the distribution of their material.⁷⁸ In addition, the approach suggested by this recent development would not absolve search engines or content aggregators of any responsibility. For instance, where evidence that a search engine has targeted a particular industry or is tailored to locating a particular type of content that has faced significant copyright infringement may demonstrate the search engine operator's desire to induce and thereby profit from copyright infringement.

Those factors may not be enough to limit copyright infringement. But copyright has never been an absolute right. Rather, it is a right that Congress and the courts have balanced against other important social goods and values.⁷⁹ The approach recommended in this recent development recognizes that digital and communication technologies are still in their infancy and that a narrow theory of contributory liability best balances copyright holders' rights with the significant, current—and potential—benefits offered by search engines.

⁷⁸ See, e.g., Walter S. Mossberg, *Media Companies Go Too Far in Curbing Consumers' Activities*, WALL ST. J., Oct. 20, 2005 (Digital Rights Management (DRM) exists in a variety of forms, but has allowed content creators to distribute material, including music, to customers, while limiting those customers or other parties from further unauthorized copying and distribution.).

⁷⁹ Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. R. 1105, 1127 (1990) (Fair Use doctrine is the obvious example of balancing the copyright holder's interests with the public interest in commenting upon and criticizing copyrighted content.).